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W. G. Murray  
*Iowa State College*

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# Land Values Increased in 1951

by W. G. Murray

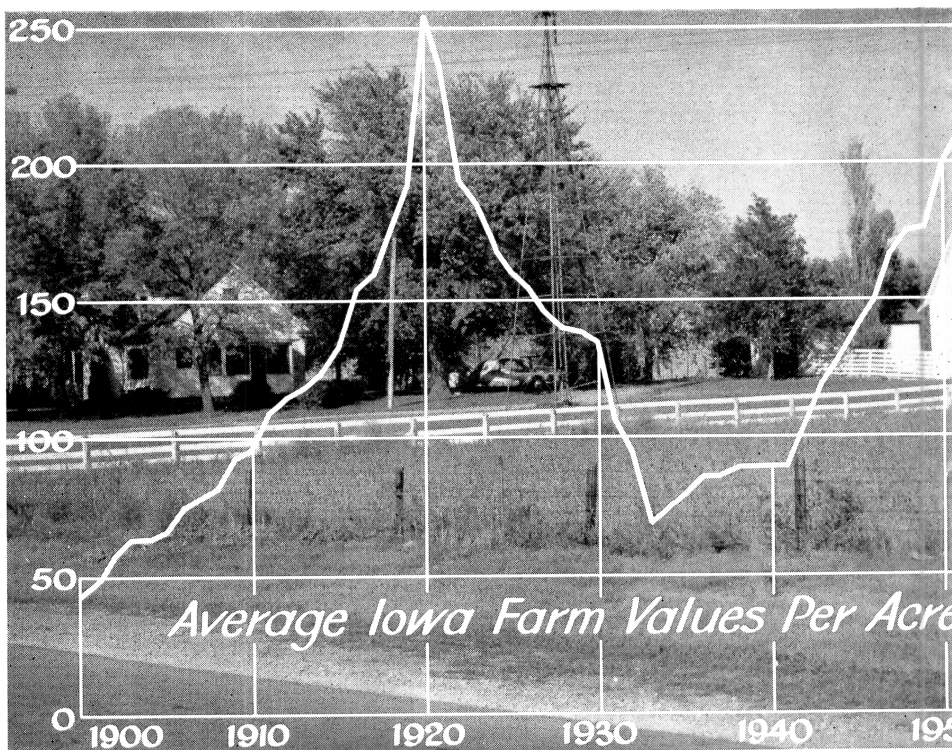
IOWA FARM land values rose an average of \$15 per acre in 1951 compared with an average rise of \$20 per acre in 1950. This rise brought the average value per acre up from \$197 per acre in 1950 to \$212 per acre in 1951—an increase of 7½ percent.

In only two other years, 1920 and 1921, were Iowa farms valued higher than last year. How land prices have changed in Iowa since 1900 is shown in the graph superimposed on the picture at the beginning of this article. We've had two periods of rising prices, one from 1900 to 1920, the other from 1934 through 1951. One of the striking features of farm land values has been these wide swings continuing in one direction for relatively long periods.

In 1951 as in recent years, high-grade land climbed the most and low-grade land the least except in western Iowa where low-grade values shot up an unusual amount. On the other hand, low-grade land values remained the same as 1950 in the Northeast Dairy area.

Sales volume was off in 1951. Total sales in 1951 amounted to about two-thirds the amount of total sales a year earlier. The number of outside investors didn't change much from 1950.

These are the highlights of a survey in which reports were re-



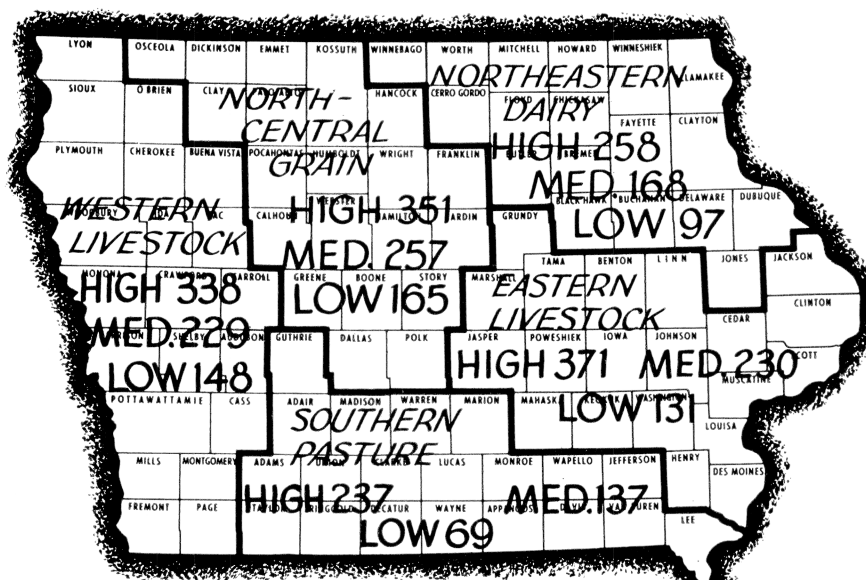
Although total sales volume was down in 1951, Iowa land values rose an average of \$15 per acre in 1951—boosting them to a level exceeded only in two previous years, 1920 and 1921.

ceived from 354 farm real estate brokers representing all counties in the state.

Here's how the situation shapes up in each of the five areas of the state (see map also):

**Northeast Dairy area:** The average land value rise in this area

amounted to \$6 per acre in 1951. Practically all of the increase, however, was for high-grade farms which rose from an average of \$242 to \$257 per acre. Medium-grade land values increased only \$3 per acre, and low-grade values did not change. Fewer sales were reported than in 1950.



ENTIRE STATE • HIGH 311, MED. 204 LOW 122

Here are the figures within types of farming areas for 1951. Map shows average prices of farm land and buildings per acre for high, medium and low grades of land. (Nov. 1, 1950, to Nov. 1, 1951.)

W. G. MURRAY is professor and head of economics and sociology.

### North-Central Grain area:

Land values on the average rose \$18 per acre in 1951, compared to \$27 in 1950. This area with an average value of \$258 leads all other areas in the state, although the eastern and western areas aren't far behind. High-grade farms rose \$27 per acre to an average of \$351. Medium-grade farms increased \$15 per acre, low-grade farms \$10. Here too, fewer sales were reported than in 1950.

**Western Livestock area:** This area with an average rise of \$21 per acre—compared to a \$20 rise in 1950—was the only area in which values increased more in 1951 than in 1950. Something else unusual was a larger percentage rise in low-grade land, which is frequently associated with dangerous land boom activity. But there were nearly 50 percent fewer sales in this area than in 1950.

**Southern Pasture area:** Average land values in this area climbed from \$135 to \$148 per acre. High-grade farms rose \$25 per acre, bringing them to an average of \$237. Medium- and low-grade farm values advanced too, but by smaller amounts. For example, low-grade values increased from \$66 to \$69 per acre. In this area, too, sales volume was down from 1950.

**Eastern Livestock area:** The average land value in this area rose \$18 to bring the average level per acre to \$244 as compared to \$226 in 1950. High-grade farm values in this area are higher than in any other area—\$371 per acre, a rise of \$36 per acre over 1950. However, this area has a lower value than other areas for low-grade farms—\$131 per acre. Thus there's a difference of \$240 per acre in the value of high- and low-grade farms. Fewer sales were reported in 1951 than in 1950.

**In General:** As in 1950, many brokers reported difficulty in obtaining listings of high-quality farms. Owners of high-quality farms didn't seem to be interested in selling. While a large number of tenants were interested in buying, brokers indicated that the tenants didn't have enough savings with what they could borrow to make a purchase.

Western and southern Iowa areas had the largest value increases in 1951, and the northeast area the smallest. The increase amounted to about 10 percent in the western and southern areas and somewhat less than 4 percent in the northeast area.

Net income on Iowa farms has been rising at a slightly higher rate than land values. The average net return for the last 3 years is about 2.7 times the 1940 average, while the average of \$212 per acre is only 2.4 times the 1940 average of \$88 per acre.

**TABLE 1. Value per Acre of Farm Land and Buildings, by Type of Farming Area, November 1, 1941-51, Real Estate Broker Survey.**

TYPES OF FARMING AREAS						
Year as of Nov. 1	State Average	Central Grain	East Livestock	West Livestock	N. E. Dairy	South Pasture
1941	\$ 88	106	101	90	87	58
1942	100	118	115	103	95	67
1943	119	141	138	119	110	83
1944	130	158	151	136	115	89
1945	140	168	167	148	118	98
1946	149	180	177	161	127	103
1947	167	196	200	187	138	117
1948	176	207	204	198	146	124
1949	177	213	203	197	151	122
1950	197	240	226	217	168	135
1951	212	258	244	238	174	148

**TABLE 2. IOWA LAND VALUES 1941-51**

CENTRAL GRAIN AREA				NORTHEAST DAIRY AREA			
Year	GRADE OF LAND			Year	GRADE OF LAND		
	High	Medium	Low		High	Medium	Low
1941	\$135	\$108	\$ 75	1941	\$115	\$ 88	\$ 57
1942	150	120	84	1942	126	96	64
1943	183	141	98	1943	150	110	70
1944	207	161	107	1944	157	114	73
1945	218	170	116	1945	163	118	73
1946	237	180	123	1946	179	123	78
1947	258	197	132	1947	196	137	80
1948	275	209	138	1948	210	145	84
1949	285	214	140	1949	216	150	87
1950	324	241	155	1950	242	165	97
1951	351	256	165	1951	257	168	97
EASTERN LIVESTOCK AREA				SOUTHERN PASTURE AREA			
Year	GRADE OF LAND			Year	GRADE OF LAND		
	High	Medium	Low		High	Medium	Low
1941	\$141	\$104	\$ 58	1941	\$ 88	\$ 56	\$ 30
1942	160	117	68	1942	100	65	36
1943	199	138	78	1943	123	81	44
1944	213	154	85	1944	131	87	50
1945	248	161	93	1945	148	96	51
1946	263	176	91	1946	157	99	52
1947	290	199	110	1947	173	114	58
1948	301	202	109	1948	190	122	61
1949	301	200	109	1949	189	116	61
1950	335	220	123	1950	212	128	66
1951	371	230	131	1951	237	137	69
WESTERN LIVESTOCK AREA				STATE AVERAGE			
Year	GRADE OF LAND			Year	GRADE OF LAND		
	High	Medium	Low		High	Medium	Low
1941	\$120	\$ 94	\$ 57	1941	\$120	\$ 90	\$ 55
1942	136	106	66	1942	134	101	64
1943	160	119	79	1943	164	119	75
1944	181	140	88	1944	178	131	81
1945	203	149	93	1945	196	139	85
1946	221	163	98	1946	211	148	88
1947	253	189	118	1947	235	167	100
1948	272	202	121	1948	250	176	103
1949	272	198	121	1949	253	176	104
1950	306	214	130	1950	284	194	114
1951	338	229	148	1951	311	204	122